

CHROMETCO LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2002/026265/06)

Share code: CMO

ISIN: ZAE007020249

("Chrometco" or "the Company")



CHANGE STATEMENT, DISTRIBUTION OF INTEGRATED ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING

DISTRIBUTION OF INTERGRATED ANNUAL REPORT

Shareholders of the Company ("Shareholders") are hereby advised that the Group's integrated annual report ("Integrated Report"), incorporating the full audited consolidated annual financial statements of the Group for the year ended 29 February 2020 ("Financial Statements") and the notice of the annual general meeting of the Company ("Notice of AGM") was dispatched to Shareholders today, 18 August 2020, and contains modifications, as stated below, to the reviewed results announced on SENS on 16 July 2020.

The Integrated Report and the Annual Financial Statements will also be available on the Company's website, at www.chrometco.co.za as from today 18 August 2020.

The full auditor's report includes details of key audit matters. This auditor's report is available, along with the annual financial statements, on the Company's website at www.chrometco.co.za.

CHANGE STATEMENT

The Financial Statements contain the following modification to the results announced on SENS on Thursday, 16 July 2020, the modifications which are disclosed are in line with the JSE requirements and only modifications affecting earning per share, headline earnings per share, and/or the amounts presented in:

- the Statement of Financial Position;
- the Statement of Comprehensive Loss;
- the Statement of Changes in Equity; and/or
- the Statement of Cash Flows

have been reported in this SENS announcement.

Changes in the Consolidated Statement of Financial Position as at 29 February 2020

The following changes relating to the 2020 Statement of Financial Position were made:

- A reclassification between trade receivables and trade payables of R55.6 million; and
- A decrease in taxation of R6.7 million resulting in a decrease in deferred tax liability of the same value.

	Reviewed results as at 29 February 2020 issued on SENS R'000	Final Audited results as at 29 February 2020 R'000	Change %
ASSETS			
Non-current assets	1,214,615	1,214,615	
Tangible assets	1,169,371	1,169,371	
Other financial assets	34,115	34,115	
Deferred taxation asset	100	100	
Environmental rehabilitation obligation investments	11,029	11,029	
Current assets	649,295	593,661	-9%
Trade and other receivables	178,348	122,714	-31%
Inventory	321,398	321,398	
Cash and cash equivalents	9,448	9,448	
Disposal group assets held-for-sale	140,101	140,101	
Total assets	1,863,910	1,808,276	-3%
EQUITY AND LIABILITIES			
Capital and reserves	444,409	437,727	-2%
Stated capital	388,512	388,512	
Accumulated losses	(126,633)	(130,041)	3%
Attributable to equity owners of the parent	261,879	258,471	-1%
Non-controlling interest	182,530	179,256	-2%
Non-current liabilities	319,966	326,648	2%
Deferred taxation liability	66,744	73,426	10%
Borrowings	105,259	105,259	
Other financial liabilities	37,720	37,720	
Finance lease liability	87,878	87,878	
Environmental rehabilitation provision	22,365	22,365	
Current liabilities	1,099,535	1,043,901	-5%
Trade and other payables	673,716	618,082	-8%
Structured finance facility	294,992	294,992	
Borrowings	19,374	19,374	
Finance lease liability	71,815	71,815	
Other financial liabilities	4,537	4,537	
Disposal group liabilities held-for-sale	35,101	35,101	
Total equity and liabilities	1,863,910	1,808,276	-3%

Changes in the Consolidated Statement of Comprehensive Loss for the year ended 29 February 2020

The change in the Statement of Comprehensive Loss is due to the following items:

- A reclassification between depreciation and other expenses of R8.5 million; and
- A decrease in taxation of R6.7 million.

Loss per share increased from -1.20 cents per share to -1.33 cents per share as a result of the decrease in taxation.

	Reviewed results for the year ended 29 Feb 2020 released on SENS	Final audited results for the year ended 29 Feb 2020	Change
	R'000	R'000	%
Revenue	1,141,492	1,141,492	
Cost of sales	(933,405)	(933,405)	
Gross profit	208,087	208,087	
Depreciation and amortisation	(161,106)	(169,585)	5%
Other income	16,541	16,541	
Other expenses	(90,460)	(81,981)	-9%
Salaries	(50,975)	(50,975)	
Professional fees	(13,768)	(13,768)	
Maintenance expenses	(1,105)	(1,105)	
Impairments	(4,814)	(4,814)	
Income from discontinued operation	1,923	1,923	
Investment income	3,521	3,521	
Finance charges	(35,861)	(35,861)	
Loss before tax	(128,017)	(128,017)	
Taxation	38,849	32,168	-17%
Loss for the year	(89,168)	(95,849)	7%
Other comprehensive income	-	-	
Total comprehensive loss for the year	(89,168)	(95,849)	7%
<u>Attributable to:</u>			
Owners of the parent	(30,447)	(33,855)	11%
Non-controlling interest	(58,721)	(61,995)	6%
Basic loss per share (cents)	(1.20)	(1.33)	11%
Diluted loss per share (cents)	(1.20)	(1.33)	11%
Headline loss per share (cents)	(1.12)	(1.20)	7%

Changes in the Consolidated Statement of Changes in Equity for the year ended 29 Feb 2020

The changes in the Consolidated Statement of Changes in Equity is due to the adjustment to tax as described above.

	Stated capital	Accumulated loss	Non- controlling interest	Total
	R'000	R'000	R'000	R'000
Opening balance 1 March 2018	388,512	(49,607)	176,301	515,206
Non-controlling interest share of loss for the year (restated)	-	-	(60,374)	(60,374)
Total comprehensive loss for the year (restated)	-	(78,200)	-	(78,200)
Transaction with shareholders: Conversion of borrowings to loans	-	-	167,218	167,218
Transactions with a shareholder: change in share holding	-	40,897	(40,897)	-
Transactions with a shareholder: change in estimate	-	(8,338)	-	(8,338)
Transactions with a shareholder: Gain on acquisition	-	568	545	1,113
Balance at 28 February 2019 (restated)	388,512	(94,680)	242,793	536,625
Change in accounting policy	-	(1,506)	(1,542)	(3,048)
Balance at 1 March 2019 (restated) Reviewed as at 29 February 2020 issued on SENS	388,512	(96,186)	241,251	533,577
Non-controlling interest share of loss for the year (restated)	-	-	(58,721)	(58,721)
Total comprehensive loss for the year (restated)	-	(30,447)	-	(30,447)
Balance at 29 February 2020	388,512	(126,633)	182,530	444,409

	Stated capital	Accumulated loss	Non- controlling interest	Total
	R'000	R'000	R'000	R'000
Balance at 1 March 2019 (restated) Audited as at 29 February 2020	388,512	(96,186)	241,251	533,577
Non-controlling interest share of loss for the year (restated)	-	-	(61,995)	(61,995)
Total comprehensive loss for the year (restated)	-	(33,855)	-	(33,855)
Balance at 29 February 2020	388,512	(130,041)	179,256	437,727

Changes in the Consolidated Statement of Cash Flows for the year ended 29 Feb 2020

There were no changes to the Consolidated Statement of Cash Flows due to the changes as described above.

Changes in the Notes to the financial statements for the year ended 29 Feb 2020

	Reviewed as at 29 February 2020 R'000	Audited as at 29 February 2020 R'000
11. Other expenses		
Other expenses include:		
Legal fees	-	-
Insurance	7,313	7,313
Medical expenses	-	-
Travel and accommodation	2,542	2,542
Change in estimate adjustment	-	-
Community and local development Commission	495	495
Foreign exchange losses	5,345	5,345
SAGE fees	55,164	55,164
Computer expenses	-	-
Banking fees	3,429	3,429
Other	-	7,516
	16,172	177

12. Headline loss per share and diluted headline loss per share

	Reviewed as at 29 February 2020 R'000	Audited as at 29 February 2020 R'000
Loss after taxation attributable to equity holders of the Group	(30,447)	(33,855)
Headline loss per share (cents)	(1.12)	(1.20)
Diluted headline loss per share (cents)	(1.12)	(1.20)

NOTICE OF AGM

Notice is hereby given that the AGM will be held at 10:00 on Friday, 18 September 2020 at Chrometco (Pty) Ltd, Unit 25 Sunninghill Office Park, Sunninghill, Johannesburg to transact the business as set out in the Notice of AGM which forms part of the Integrated Annual Report.

The date on which Shareholders must be recorded as such in the share register of the Company to be eligible to vote at the AGM is Friday, 11 September 2020 with the last day to trade being Tuesday, 8 September 2020.

Signed on behalf of the Board of Directors

Marcel Naude CA(SA)
Chief Financial officer

Johannesburg
18 August 2020

Directors:

BL Sibiya+ (Chairman), L McCann (CEO), MC Naude (CFO),
LJ Jordaan+, NP Thomas+

+ independent non-executive

CORPORATE INFORMATION

Designated Advisor:
PSG Capital

Company Secretary:
Acorim Secretarial and Governance

Registered Office
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